

from the State Board for Vocational Education, PO BOX 40920, Olympia WA 98504-0920

Credit Repair Firms

So-called credit repair companies advertise that they can obtain credit cards for consumers with poor credit or improve a person’s bad credit rating. Consumer protection agencies have received numerous complaints about these businesses and urge consumers to be cautious. The Federal Trade Commission has more information on credit repair companies and recent actions against them. If you sign a contract with one of these companies, you have five business days to cancel it under the Credit Services Organization Act (RCW 19.134). Contracts with debt adjusting firms can be cancelled within three business days (RCW 18.28). For additional information on credit repair firms, call ConsumerLine and ask for Tape 361.

Telemarketing Sales

Under Washington’s Commercial Telephone Solicitation Act (RCW 19.158) when you agree to make a purchase during a call initiated by a telephone solicitor, the sale is not final until you’ve received written confirmation from the seller. The written confirmation must provide an address where a cancellation notice may be sent and an explanation of your cancellation rights.

You may cancel the contract within three business days of receipt of the written confirmation; if delivery is not made within 42 calendar days of the initial solicitation; or whenever the Telephone Solicitation Act is violated.

For more information, request a brochure on the Telemarketing Act from the Consumer Resource Center.

Counting “Business Days”

When counting business days, do not count the day on which the contract was signed. Check your contract to determine whether Saturdays are considered “business days.” Holidays are defined as: New Year’s Day, Martin Luther King Jr’s Birthday, President’s Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day and Christmas Day.

How to Cancel a Contract

To cancel one of the contracts described in this brochure or as otherwise allowed by law, fill out one of the cancellation forms given to you at the time you signed the contract. If you weren’t given one or can’t find one, write a letter to the company explaining that you want to cancel the purchase. Keep a copy for your files.

Mail the notice or letter to the company by certified mail and request a return receipt. This will confirm that the company received your notice. Be sure the notice is postmarked before the deadline for cancellation.

When Do I Get My Money Back?

As with your right to cancel, the length of time a seller has to return your money varies with the statute. If you have received any goods prior to exercising your cancellation rights, you may also have an obligation to return the goods or make them available to the seller for pick up. Check the applicable statute for more details.

For Further Information

The Consumer Resource Centers of the Attorney General’s Office provide information and informal mediation of disputes to consumers and businesses. If you have a question, would like additional printed materials, or want assistance in resolving a consumer problem, please contact the nearest Consumer Resource Center by calling the statewide toll free or local telephone number below. The Attorney General’s Office cannot provide legal services for you or act as your attorney. You should consider other informal dispute resolution services, small claims court (for disputes involving less than \$2,500) or consulting a private attorney to determine your full legal rights.

CONSUMER RESOURCE CENTERS
OFFICE OF THE ATTORNEY GENERAL

E-Mail	protect@atg.wa.gov
Web site	http://www.wa.gov/ago/consumer
Statewide	(800) 551-4636 Voice (800) 276-9883 Hearing Impaired (TDD)
Bellingham	(360) 738-6185
Kennewick	(509) 734-7140
Olympia	(360) 753-6210
Seattle	(206) 464-6684 Voice (206) 464-7293 Hearing Impaired (TDD)
Spokane	(509) 456-3123
Tacoma	(253) 593-2904
Vancouver	(360) 759-2150
LEMON LAW:	(800) 541 8898 or in Seattle, 587-4240.

CONSUMERLINE has taped information on a number of consumer related issues. Residents in Washington can call (800) 692-5082.

The Attorney General’s Office has a policy of providing equal access to its services. If you need to receive the information in this brochure in an alternate format, please call (206) 464-6684. The hearing impaired may call 1-(800) 276-9883 Statewide, or in Seattle at 464-7293.

Cancellations

YOUR



CANCELLATION
RIGHTS

Consumer Resource Center
Office of the Attorney General
Christine O. Gregoire

Your Cancellation Rights

When you sign a contract, in most cases you cannot change your mind and cancel. So it is always a good idea to take your time and consider your purchases carefully before you sign.

However, consumers in Washington have the right to cancel in some cases, under both state and federal laws. This brochure lists the main types of contracts which can be cancelled. Not all types of cancelable contracts have been included. Therefore, it is wise to get legal advice if you have questions about cancelling a contract.

Door-to-Door Sales

A Federal Trade Commission Regulation gives you the right to a three business day “cooling off period” on door-to-door sales of more than \$25 (16 CFR 429.1). This rule also applies to sales made away from the seller’s usual place of business. These include: sales at a “home show” or other exposition; at a seminar held in a hotel banquet room; or at a “sales party” in someone’s home.

This federal rule does not allow you to cancel sales made totally by mail or phone, or real estate, insurance or securities sales. The right to cancel also does not apply if the goods or services are needed because of an emergency, provided you write a statement waiving your cancellation right and explaining the reasons.

Retail Installment Plans

A State law (RCW 63.14.154) also gives you three business days to cancel a retail installment contract which was made with a door-to-door salesman, regardless of the amount. The law also applies if the contract was made either in person at a place other than the seller’s business as shown on the contract, or by commercial telephone solicitation (See RCW 19.58.010-.160,.900 and .901 for more information). Sales made strictly for cash are not covered by this law.

Timeshares

Under the state’s Timeshare Regulation (RCW 64.36), the buyer of any kind of time share has the right to cancel within seven days after signing the contract or seven days after receiving the disclosures about the time share which are required by law, whichever comes later.

Business Opportunities

Business opportunities - enterprises which enable you to start a business through the purchase or leasing of equipment or training - are governed by the state’s Business Opportunity Fraud Act (RCW 19.110). The law allows buyers to cancel within seven business days of signing a contract.

This law does not cover purchasing a franchise, which falls under the Franchise Investment Protection Law (RCW 19.100). Franchise purchasers do not have a right to cancel under that statute.

Hearing Aids

The state’s Hearing Aid Law (RCW 18.35) allows you to cancel a hearing aid purchase within 30 calendar days of delivery, for reasonable cause. Reasonable cause under the law does not mean simply changing your mind or not liking the way the hearing aid looks. The aid must be in original condition except for normal wear and tear.

The law allows the buyer and seller to agree to a different length of time in which to cancel the transaction. The new agreement must be in writing, signed by you and the seller, and include the last date on which the hearing aid purchase can be cancelled.

For more information, consult the Hearing Aid Council, PO BOX 47860, Olympia WA 98504-7860.

Camping Clubs

Washington’s Camping Club Act (RCW 19.105) protects people who buy memberships in camping clubs by giving them a three business day right to cancel their purchase.

In addition, if you did not inspect any of the camping club facilities before signing the contract, you have six business days to cancel.

Health Clubs

Under the Health Studios Act (RCW 19.142), you have three business days after signing a membership contract in which to cancel and receive a refund. The amount of refund you are entitled to varies depending on the type of contract signed.

If you personally deliver your cancellation notice to the health club rather than mailing it, ask the employee who receives it to initial your copy of the notice, showing it was actually received. Make sure your copy is dated.

Health club members have other cancellation and refund rights after three days. For further information, request a brochure on health clubs from one of the Attorney General’s Consumer Resource Centers or call ConsumerLine.

Vocational Schools

Students who sign up for private vocational schools, which do not grant degrees, have five business days to cancel their contracts and get their money back (WAC 490.100). If students cancel during the five day period, they receive a full refund. However, if they commence training during the cancellation period then exercise their rights to cancel, state law specifies how much of a refund the student should receive.

Complete refund information should be contained in the school’s enrollment agreement, or is available

When your home is used as collateral

Often when taking out a “second mortgage” or a large loan for home improvements, the borrower’s house is used as collateral. This means that if the payments are not kept up, the lender could force the borrower to sell the house to pay off the loan.

If you have used your house as collateral for such a loan, Regulation Z of the Federal Truth in Lending Act (12 CFR 226.15) gives you the right to cancel the transaction before midnight of the third business day after signing the contract. Your principal residence can be a house, condominium, mobile home or house boat. This right does not apply to a residential mortgage or a credit plan in

which a state agency is a creditor.

If the lender does not give you the proper disclosures about financing, as required by federal law, you have three years or until you sell your home (whichever comes first) to cancel the transaction.

You can choose to waive your cancellation rights if you need the loan immediately. You must give the lender written notice stating you are giving up your right to cancel and describing the emergency, for example, to make emergency home repairs.